



A BILL FOR A LAW TO ESTABLISH NIGER STATE SMALL, MEDIUM AND MICROFINANCE AGENCY

BE IT ENACTED by the Niger State House of Assembly and by the authority of same as follows:

PART I PRELIMINARY

1. This Law may be cited as the Niger State Small, Medium and Microfinance Agency Law 2008 and shall come into force on the 18th November, 2008.

2. In this Law, unless the context otherwise requires:-

"Governor" means the Executive Governor of Niger State;

"Agency" means Niger State Emergency Management Agency;

"Board" means the Governing Board to be appointed by the Governor;

"Director General" means the Director General of the Agency;

"Directors" means Directors of the Agency;

"Donor" means both Local and foreign Donor Agencies;

"State" means Niger State of Nigeria;

"SME" means Small and Medium Enterprises;

State Micro Finance Bank is as defined in the Supervisory and Regulatory framework on Micro-Finance Banks issued by the Central Bank of Nigeria.

"Local Government "means the 25 Local Government Areas in Niger State.

PART II – ESTABLISHMENT OF THE NIGER STATE SMALL, MEDIUM AND MICROFINANCE AGENCY

*Establishment
of the Agency*

3. (1) There is hereby established for the Niger State Small, Medium and Microfinance Agency.

(2) The Agency shall be a body corporate with perpetual succession and a common seal, and shall have powers to sue and be sued in its corporate name and hold, acquire and dispose moveable and immoveable property of the Agency.

(3) To enhance its effective supervision and autonomy in line with modern practice, the agency, shall be under the supervision of the relevant ministry on matters relating to its functions and otherwise.

PART III – FUNCTIONS AND POWERS OF THE AGENCY

4. (1) Subject to the provisions of this Law and any subsequent amendments thereto, the functions of the Agency shall centre upon programmes and activities related to small and medium enterprises and microfinance in the State and shall be responsible for the development of such programmes and activities when necessary.

(2) The Agency shall, in conjunction with the states relevant ministries articulate, formulate and develop SME policy frame work for the effective administration of micro small and medium industries with the state.

(3) The Agency shall create the enabling environment to enhance and facilitate access to support services for SMEs within the state by liaison

with federal government SME support institutions and schemes such as Bank of Industry, National Credit Guarantee Scheme (NCGC), Small and Medium Industries Equity Investment Scheme (SMIEIS), Industrial Development Centre (IDC), Small and Medium Enterprises development Agency (SMEDAN), National Data Centre for Science and Technology (NADCEST), National Office for Technology Acquisition and Promotion (NOTAP) among others.

(4) The Agency shall provide liaison services and serve as the intermediary between Local government, State, National and International organized private sector. These shall include but not limited to the following:-

- (a) National Association of Small and Medium Entrepreneurs (NASME);
- (b) National Association of Small Cottage Industries of Nigeria (NACIN);
- (c) World Association of Small and Medium Enterprises (WASME);
- (d) Manufacturers Association of Nigeria (MAN);
- (e) Nigerian Association of Chambers of Commerce, Industries, Mines and Agriculture (NACCIMA);
- (f) State and National Association of Microfinance Banks (MFBS);
- (g) Bank of Industries (BOI);
- (h) Nigerian Agriculture and Rural Development Bank (NARDB);

- (i) Nigerian Export and Import Bank (NAXIM);
- (j) Central Bank of Nigeria (CBN);
- (k) Nigerian Association of Small Scale Industries (NASS).

(5) In conjunction with the state ministry of investment and commerce and relevant bodies, the Agency shall initiate and facilitate the establishment and sustenance of Business Support Centres (BSCs) Industrial Development Centres (IDCs) as well as Industrial Parks within the state.

(6) The Agency shall put in place deliberate platform to facilitate government intervention that would ensure that disadvantaged categories of people in the state have access and direct benefit from SME and microfinance programmes. The categories of disadvantaged groups of individuals shall include:

- (a) Women;
- (b) Rural based target individual groups;
- (c) Physically challenged people;
- (d) The Aged and the weak;
- (e) HIV/AIDS groups of individuals;
- (f) Widows/Widowers;
- (g) Youth; and
- (h) Orphans.

(7) The Agency shall encourage and facilitate development and continuous sustenance of business clusters, Networks, cooperatives, non-governmental organizations community based outfits and microfinance institutions across the state.

(8) The Agency shall devise ways of promoting and facilitating access to resources by existing micro small and medium enterprises to enhance their growth and development.

(9) In order to achieve its set targets and ensure rural dwellers participation and maximum benefit through access to microfinance and micro-insurance, the Agency shall source for and disseminate information through languages, forms and means.

(10) The Agency shall collaborate with relevant bodies and organizations to initiate, organize and co-ordinate seminars, trainings, conferences, workshops and interactive sessions for promotional and capacity building purposes.

(11) The Agency shall propose, pursue and promote Entrepreneurship programmes and schemes for the overall attainment of its goals and set targets.

(12) The Agency shall source for, initiate and co-ordinate bilateral and multilateral technical assistant/partnership programmes with/from local or international organizations/foundations such as the United Nations Capital Development Fund (UNDCF), United Nations Industrial Development

Organization (UNIDO), United Nations Development Programmes (UNDP) and World Bank.

*Duties of
the Agency*

5. (1) The Agency shall initiate, monitor and co-ordinate schemes for measuring impact assessment of SME and microfinance development efforts in the state and shall supervise activities of Microfinance Banks and Institutions within the state in collaboration with the regulatory Agency.

(2) The Agency shall be represented on the Board of Directors of all state owned SMEs and shall advise the governor on appropriate interventions as may be necessary.

(3) The Agency advise the governor by way of periodic reports on the states equity investments in rural micro, small and medium enterprises and micro finance institutions in the state.

(4) The Agency shall ensure a proper co-ordination and monitoring of governments programmes of poverty alleviation, rural development, Millennium Development Goals (MDGs), the State Economic Empowerment and Development Strategy (SEEDS), National Poverty Alleviation Programmes (NAPEP) Cassava Initiatives, Local Empowerment and Environmental Management Projects of the World Bank (LEEMP), FADAMA Programmes in order to have a synergy and maximum benefits therefrom.

(5) The Agency shall liaise with and co-ordinate efforts of the state and local government, cooperatives societies, community development association, corporate groups, high network individuals and foreigners to facilitate the establishment of at least one micro-finance Bank in each Local Government Area where there are none within a target time frame.

(6) As an effective tool of setting up of small and medium Business enterprises, the Agency shall sensitize and mobilize local government staff and rural communities to come together to form and register cooperative groups and various skills associations so as to benefit from the micro-finance scheme.

(7) The Agency shall devise ways and processes of creating awareness among the whole citizens of the state and local governments, investment consciousness and exposing them to some investment opportunities such as the stock market, property or any other economic activities.

(8) The Agency shall serve as the reference point for potential investors in MFBs and shall guide, facilitate and assist the investors through the processes of registration and procurement of operating license and shall ensure compliance with rules and regulations as may be issued by the Central Bank of Nigeria CBN from time to time.

(9) The Agency shall ensure the establishment of Microfinance Banks and shall ensure a significant ownership diversification in line with the policy, regulatory and supervisory frame work of Central Bank of Nigeria CBN.

(10) The Agency shall be the sole channel for the administration of all Micro Credit Schemes that the state may deem fit to embark upon from time to time.

(11) The Agency shall provide and facilitate technical and managerial training to small and medium scale industries.

(12) Any other functions and activities as may be assigned by the governor from time to time.

6. (1) Subject to the provisions of this law and any subsequent amendments thereto, the Agency shall exercise the following powers.

(2) To acquire and hold such moveable and immoveable property as may be necessary or expedient for the carrying into effect the provisions of this law and for the same purpose may lease, mortgage or otherwise alienate or dispose of any property so acquired.

(3) To enter into agreement with financial organizations; like Banks and other financial Institutions to acquire sufficient funds in addition to the funds that may have accrued to it but the concurrence of its Governing Board shall be first hand and obtained.

(4) To formulate with the approval of the governing Board, its internal in-door management rules and procedures and among others formulate an acceptable Operations and Human Resources Manuals to guide its operations.

(5) Demand and obtain relevant information, data and reports on activities relating to the promotion and development of small and medium scale industries from Banks, research and development institutions and other support organizations.

(6) Enter into joint-venture arrangement and draw up memorandum of understanding and agreement with relevant institutions and organization for the promotion and development of small, medium scale industries; and

(7) - Do such other things as are incidental or necessary for the successful performance of its functions under this law.

PART IV - FINANCIAL PROVISIONS

7. (1) The fund available for the purpose of enabling the Agency to perform its functions under this law shall consist of: -

- (a) take-off grant from state government;
- (b) annual statutory budgetary allocation by the state government;
- (c) statutory allocation by the State and Local Government Councils of 1% their annual budgetary provision in line with the Regulation Policy of the Central Bank of Nigeria on Micro Finance;
- (d) donations from development partners, local and foreign and such agencies and foundations like the European Union (E.U) the Ford Foundation, Bill Gate Foundation, Danitata Foundation and any other donor agencies;
- (e) Loans from development finance institutions;
- (f) Other sources as may be approved by the Governing Board of the Agency in a resolution at a meeting of which at least half of the members were present;
- (g) Grant to the agency from the Federal Government of Nigeria.

(2) All sums authorized under section 7(1) of this law shall be paid into the agency's account in a reputable bank in such manner as the governing Board may direct.

Self accounting
status.

8. (1) The Niger State Small Medium Enterprises and Microfinance Agency shall be self – accounting.

(2) The accounts of the Agency shall be audited within six months after the end of each year by auditors appointed by the governing Board from the list of auditors in accordance with guidelines supplied by the Auditor General of the State and the fees of the auditors and the expenses of the audit generally shall be paid from the funds of the Agency.

(3) The Agency shall defend their budget through the relevant Ministry at least 3 months before the commencement of the financial year.

Powers to
accept gift

9. (1) The agency shall ~~not~~ accept any gift of land, money, or other property on such terms and conditions, if any, as may be specified by the person or organization making the gift.

(2) The Agency shall not accept any gift if the conditions attached by the person or organization offering the gift are inconsistent with the functions of the agency and provisions of Independent Corrupt Practice and Allied Offences Commission Act 2000.

Power to
borrow

10. (1) The Agency may, from time to time, borrow by overdraft or otherwise such sums as it may require for the performance of its functions under this law, provided that the prior consent of the Governor is obtained.

(2) Notwithstanding subsection (1) of this section, where the sum to be borrowed is in foreign currency the agency shall not borrow the sum without prior approval of the Governor and in consultation with Central Bank of Nigeria.

Investment
Cap 449
LFN

11. The Agency may, subject to the provisions of this law and the conditions of any Trust created in respect of any property, invest all or any of its funds in any security prescribed by the Trustee Investments Act or in such other securities as may, from time to time be approved by the governor.

Exemption
from tax

12. (1) The agency shall be exempted from the payment of income tax on any income accruing from investment made by the board for the agency or otherwise.

(2) The provisions of any enactment relating to the taxation of companies on trust fund shall not apply to the Agency or the Board.

Expenditure of
the Agency

13. The Agency may, from time to time, with the approval of the Board, apply the proceeds of the fund established in pursuance of section 7 of this law: -

- (a) to the cost of the administration of the Agency;
- (b) to paying of the emoluments, allowances and benefits of members of the board and for reimbursing members of the board or of any committees set up by the board for such expenses as may be expressly authorized by the board;
- (c) to the payment of the salaries, fees or other remuneration and benefits or allowances, gratuities and pensions, and other benefits payable to the officers and other employees as obtainable in the state civil service;
- (d) For the development and maintenance of any property vested in or owned by the Agency; and;

- (e) For and in connection with all or any of its functions under this law or in such other securities as may, from time to time approved by the Governor.

PART V -- STAFF OF THE AGENCY

14. (1) There shall be for the Agency a Director General who shall be appointed by the Governor after wide collaborations.

(2) The Director General shall be the Chief Executive Officer of the Agency and shall be responsible for the executive of the policy and the day-to-day administration of the Agency.

(3) The Director General shall hold office:

- (a) for a term of four years in the first instance and may be re-appointed for a further term of four years and no more; and
- (b) on such terms and conditions as may be specified in his letter of appointment.

15. There shall be a secretary to the Governing Board who shall also be the Legal Adviser to the Agency and who shall:-

- (a) record the proceedings of the Board;
- (b) conduct and keep the correspondence of the Board;
- (c) guide the Board procedurally at its meetings;
- (d) perform all duties of a Legal Adviser to the Agency in all ramifications;
- (e) perform such other duties as the Board may from time to time direct.

Director
General

Appointment
and duties of
secretary

16. (1) The Board shall appoint for the Agency such officers and other employees as it may, from time to time deem necessary for the purpose of the Agency.

(2) The terms and conditions of service (including remuneration, allowances, benefits and pensions) of officers and employees of the Agency shall be as obtainable in the State Civil Service.

17. (1) The service in the Agency shall be in accordance with the Niger State Pension (Reform) Law, 2007.

(2) Nothing in this law shall prevent the appointment of a person to any office on terms which preclude the grant of a pension, gratuity or other retirement benefit in respect of that office.

(3) For the purpose of the application of the Niger State Pension (Reform) Law, 2007, any power exercisable by any authority of the State Government, other than the power to make regulations, is hereby vested in and shall be exercisable by the Agency and not by any other person or authority.

PART VI – GOVERNING BOARD OF THE AGENCY

18. (1) There shall be a seven (7) member Governing Board for the Agency including the chairman to be appointed by the governor.

(2) Every Board member other than the Director General shall hold office for a period of four years from the date of appointment and shall be eligible for re-appointment for another term of four years and no more.

19. There shall be paid to the Governing Board members such remuneration and allowances as the governor may from time to time determine.

20. The seat of a member of the governing board shall become vacant on the occurrence of any of the following events:-

- (a) death;
- (b) inability to discharge the functions of his office arising from infirmity of body or mind;
- (c) conviction for a criminal offence involving fraud, dishonesty or moral turpitude;
- (d) resignation;
- (e) the dissolution of the Board by the Governor;
- (f) removal by the governor for misdemeanor or any other cause.

21. (1) The Governing Board shall meet at least twice annually and at such other times as may be expedient for the transaction of business and such meetings shall be held at such places and time as the Board may determine.

(2) The chairman may at any time call special or ad-hoc meetings of the Board and shall do so in conjunction with other Board members.

(3) The chairman shall preside at all meetings of the Board at which he is present and if he is absent, the members present at the meeting shall select one of themselves to preside.

(4) The chairman or in his absence the member presiding at a meeting of the Board shall have an original and a subsequent casting vote.

(5) A simple majority of the Board members (including the chairman or any other member presiding) shall constitute a quorum at any meeting of the Board.

(6) The validity of any proceedings of the Board shall not be affected by any vacancy among the Board members or any defect in the appointment of a Board member.

22. (1) A member of the Board who is directly or indirectly interested in any matter being deliberated upon by the board or is interested in any contract made or proposed to be made shall, as soon as possible after the relevant fact has come to his knowledge, disclose the nature of his interest at a meeting of the Board.

(2) A disclosure made under subsection (1) of this Section shall be recorded in the Minutes of Meetings of the Board and the member concerned shall:

- (a) not, after the disclosure, take part in any deliberation or decision of the Board; and
- (b) be excluded for the purpose of constituting a quorum of any meeting of the Board for any deliberation or decision with regard to the subject matter in respect of which his interest is so disclosed.

23. Notwithstanding anything contained in this Law the governor may give specific, general or special direction as to the exercise by the Agency of its duties under this law and the Agency shall give effect to any such directions.

24. The Agency may make further regulations with respect to its operations, not being inconsistent with the provisions of this law.

25. The Niger State Small Scale Industries Law, CAP 126 and the Niger State Small Scale Industries Loan Agency Edit, 1997 are hereby repealed

Disclosure
of interest

Power of the
Governor to
give direction

Power to
make
regulations

Repeal of
existing laws
Niger State
Small Scale
Industries

26. The Niger State Small Scale Industries Loan Agency and its staff shall be absorbed and become a unit under the new Niger State Small, Medium Enterprises and Micro finance Agency in such a manner that the staff shall not be prejudiced by virtue of the absorption.

FIRST SCHEDULE

I assented this 11th day of Dec 2008 Time 12:15 pm

[Signature]
Dr. Muazu Babangida Aliyu OON
Governor of Niger State

SECOND SCHEDULE

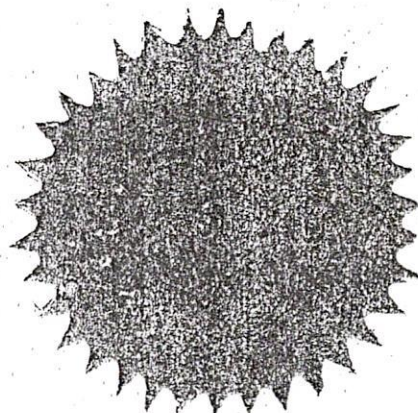
I withheld assent this day of 2008 Time

Dr. Muazu Babangida Aliyu OON
Governor of Niger State

THIRD SCHEDULE

I, Mohammed A. Rijau, Clerk to the Legislature of Niger State hereby certify that this Law has been passed in accordance with Sub-Section 3 of Section 100 of the Constitution of the Federal Republic of Nigeria 1999. This printed impression has been carefully compared by me with the Bill, which has been passed by the Legislature and found by me to be a true and correctly printed copy of the said Bill.

[Signature]
MOHAMMED A. RIJAU
Clerk to the Legislature



**SUGGESTED AMENDMENTS TO THE NIGER STATE SMALL,
MEDIUM ENTERPRISES AND MICROFINANCE
AGENCY LAW, 2008**

Under Interpretation [2]

“Agency” Means “Niger State Small, Medium Enterprises and Microfinance Agency”

S.3(1) Should read “ There is hereby established the Niger State Small, Medium Enterprises and Microfinance Agency”

S.4(2) Should read “ The Agency shall, in conjunction with the state’s relevant Ministries articulate, formulate and develop SME Policy Framework for the effective administration of Micro, Small and Medium Industries within the State.

S.4(3) delete the following “ Small and Medium Industries Equity Investment Scheme (SMEIEIS)”

S.4(12) add the word “etc” after the words “world Bank”

S.5(1) the sub-section should end after the word “State” and move the concluding statement of the Statement to another sub-section (2) and should read – “ The Agency shall co-ordinate and supervise the activities and operations of all Microfinance Banks and Institutions operating within the territorial jurisdictions of Niger State in such a manner as to ensure that the activities and operations of the said Banks and Institutions shall be in line with the regulations and rules of the Central Bank of Nigeria (CBN)”

S.5(3) Delete the entire sub-section

- S.5(5)** add the following to end the sub-section -----“and shall play the same role towards the establishment of subsequent Microfinance Banks in locations where one or more of such Banks were already operational”
- S.7(2)** should be amended to read:- “All sums authorized under section 7(1) of this Law shall be paid in the Agency’s accounts maintained in reputable Banks in such manner as the governing board may direct”
- S.8.(3)** After the words “ Financial year” add the following:- “or any other time and period as may be stipulated by the relevant Ministry in that regard”.
- S.9.(1)** Delete the word “not” immediately after the word “shall”
- S.10(1)** Replace the word “fro” immediately after the word “require” with the word “For”
- S.14(1)** Substitute the word “Collaboration” for the word “Consultations”
- S.14(2)** Replace the word “ Executive” with the word “Execution”
- S.2(6)** Delete the word “new” appearing before the words “ Niger State Small, Medium Enterprises and Microfinance Agency.